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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 23, 2015

CERTIFIED RETURN RECEIPT
7014 0150 0000 1194 3019

John L. Byars
United Minerals LLC
174 East 400 South
P.O. Box 656
Emery, Utah 84522

Subject: Review of Reclamation Surety, United Minerals LLC, Dog Valley Mineral Mine, S/015/0101, Emery County, Utah

Dear Mr. Byars:

The last surety estimate for the Dog Valley Mineral Mine was done in 2010 and escalated to 2015 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$16,500.00 to \$19,400.00 for a three year escalation or \$19,800.00 for a five year escalation. The average reclamation costs are outlined below:

<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>(Operation Name) S/015/0101</i>			
<i>3-year escalation (2018)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Additional Acres Disturbance	2	\$5,000.00	\$10,000.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$19,400.00
<i>5-year escalation (2020)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Additional Acres Disturbance	2	\$5,100.00	\$10,200.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$19,800.00



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John L. Byars
S/015/0101
June 24, 2015

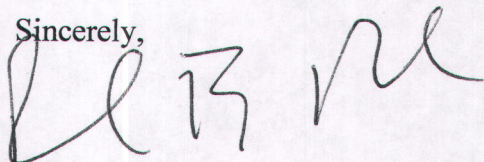
Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov, for information about submitting the additional surety. Your current surety is in the form of a letter of credit with Zions Bank. You may increase the surety amount by submitting an amended letter of credit, or you may submit a new letter of credit, a surety bond, cash, or a certificate of deposit for either the increased or full amount of the surety. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than August 17, 2015.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB', is written over the word 'Sincerely,'.

Paul B. Baker
Mining Program Manager

PBB: whw: eb
cc: John Blake, SITLA (jblake@utah.gov)
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